

# **Pae Ora (Healthy Futures) Bill**

## **Legislative Statement**

*Presented to the House in accordance with Standing Order 272 J.17*

### **Overview**

1. The Pae Ora (Healthy Futures) Bill reforms the structure and accountability mechanisms of the publicly-funded health system by repealing and replacing the New Zealand Public Health and Disability Act 2000. In effect, the Bill disestablishes the 20 District Health Boards and replaces them with a single national health system. The purpose of the reforms are to correct longstanding system inequities in the system in order to produce better health outcomes for all New Zealanders.

### **Te Tiriti o Waitangi and Health System Principles**

*The new system has been designed to reflect te Tiriti o Waitangi*

2. The Bill includes provisions intended to give effect to the Crown's obligations under the Treaty, such as the establishment of the Māori Health Authority, and provision to recognise iwi-Māori partnership boards. Those elements are set out in a descriptive provision.
3. This provision is accompanied by the health system principles which incorporate the concepts of te Tiriti principles discussed by the Waitangi Tribunal, as well as wider concepts about equity and health promotion. The principles set out common expectations across the health system. All health entities and the Ministry of Health must be guided by the principles when performing their functions.
4. This places Treaty-informed decision-making at the heart of the system by ensuring that decisions made by health system actors will be genuinely informed by the principles of te Tiriti o Waitangi, and that the legislation will support system-wide accountability for Māori health outcomes.

### **Structure**

5. The Bill reforms the structure of the health system, including establishing new entities and updating the roles of existing health system entities.
6. The Bill disestablishes district health boards and the Health Promotion Agency. Their assets, liabilities, contracts and employees will transfer to new entities. All transferring employees will retain their existing terms and conditions of employment on transfer, including arrangements that had been specific to particular district health boards.

### *Health New Zealand*

7. Health New Zealand will be a Crown agent under the Crown Entities Act 2004. It will lead system operations, planning, commissioning, and delivery of health services, in partnership

with the Māori Health Authority. This will include owning and operating public hospitals, specialist and community services, as well as commissioning primary and community health services at national, regional and local levels. It will be responsible for monitoring the delivery and performance of services.

8. The Bill requires Health New Zealand to establish localities for the purpose of commissioning primary and community health services and engaging with communities at the appropriate level. Decisions relating to the planning and commissioning of services are required to be made jointly with the Māori Health Authority.

#### *Māori Health Authority*

9. The Bill establishes the Māori Health Authority to drive improvement in hauora Māori. The Authority will be a statutory entity governed by a board. While it will not be a Crown Entity within the meaning of the Crown Entities Act, it will be subject to parts of that Act to ensure accountability to the Crown for the expenditure of public money. This includes retaining the powers to require information, review operations and direct the entity to give effect to government policy for the purposes of improving equity of access and outcomes for Māori.
10. It will work with Health New Zealand to commission and plan services, commission kaupapa Māori services and monitor the performance of the system for Māori. The Authority will work with the Ministry of Health to prepare national strategies and advise the Minister.
11. The Authority will also have accountabilities to Māori, and will be required to consult Māori and report back to them periodically. The Bill also requires the Minister to establish a Hauora Māori Advisory Committee to advise on the use of ministerial powers in relation to the Māori Health Authority.

#### *Iwi-Māori partnership boards*

12. Iwi-Māori partnership boards already exist as part of the health system, but the Bill formally recognises them for the first time. It provides for a clear purpose to represent local Māori perspectives on the needs and aspirations of Māori, how the health system is performing on these, and the design and delivery health services within a locality.
13. The interim Māori Health Authority is leading a process of engagement to advise on specific functions and powers the partnership boards should have, and how they should be constituted and changes are anticipated during the passage of the legislation

#### *Public health*

14. The Ministry of Health will continue to act as chief steward of the health system with a focus on strategy, policy, regulation and monitoring. A new Public Health Agency will be established as a business unit within the Ministry of Health to provide system leadership for public health and advise the Director-General on public health matters. The role of the Director of Public Health as a system leader will be strengthened. The Bill requires the Minister to establish an expert advisory committee to provide independent advice on issues relating to public health.

### *Strategic, accountability and monitoring documents*

15. The Bill provides a framework of new strategic, accountability, and monitoring documents which are:
- a. The Government Policy Statement on Health, which will set out the government's overall direction, priorities, and objectives for the health system. It must be issued by the Minister at intervals no longer than 3 years;
  - b. National health strategies – the New Zealand Health Strategy will provide a framework for the overall 5–10 year direction of the health sector and must be prepared and determined by the Minister. The Minister must also prepare and determine Hauora Māori, Pacific Health and Disabled Health strategies that include specific consideration of outcomes and performance for Māori, Pacific and disabled peoples;
  - c. The New Zealand Health Plan, which will set the operational direction for the system and is to be jointly prepared by Health New Zealand and the Māori Health Authority;
  - d. Locality plans, which will assess health needs at the local level and are to be jointly agreed by Health New Zealand and the Māori Health Authority;
  - e. The New Zealand Health Charter, which will provide common values, principles, and behaviours for organisations and workers in the health system; and
  - f. A Code of Consumer Participation, which will support consumer participation and enable the consumer voice to be heard.
16. It also provides for a continuation of the existing New Zealand Disability Strategy.

### *Continuation of some existing statutory provisions*

17. Part three of the Bill continues Pharmac, the New Zealand Blood and Organ Service, and the Health Quality and Safety Commission. They will continue to exercise their current functions, subject to the accountability and monitoring requirements in the Bill, and minor amendments to reflect a stronger role for HQSC in supporting consumer engagement.
18. Part four of the Bill continues provisions relating to ministerial committees, commissioning powers, and general administrative requirements that apply to health entities.
19. The Schedules set out transitional, savings and related provisions. This includes the transfer of district health board assets and liabilities, amending the Health Act 1956 to establish the Public Health Agency, and replicating relevant schedules of the New Zealand Public Health and Disability Act 2000.